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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION (L) NO. 70 OF 2016
IN
SUIT NO. 189 OF 2016

Glenmark Pharmaceuticals Ltd. ...Plaintiff
Versus
Signova Pharma (P) Ltd. & Anr. ...Defendants

Mr. Viraag Tulzapurkar, Senior Advocate, *with Mr. Hiren Kamod, Mr. Mahesh Mahadgut & Ms. Miloni Gala, i/b Mr. Mahesh Mahadgut, for the Plaintiff.*
Mr. B.D. Konwar, Senior Advocate, *with Ms. Priyanka Jadhav, i/b Ms. Sapana Rachure, for Defendant No. 1.*

CORAM: G.S. PATEL, J
DATED: 7th March 2016

PC:-

1. This is an action in trade mark infringement combined with a cause of action in passing off. The Plaintiff sought and obtained leave under Clause XIV of the Letters Patent on 19th January 2016 to combine these two causes of action. Thereafter, on 5th February 2016, an Affidavit in Reply to the present Notice of Motion was taken on record. On that day, parties were also put to notice that the Notice of Motion would be finally disposed of at the ad-interim stage on the next date. I now have before me the Affidavit in Reply

and the Affidavit in Rejoinder, which has been tendered today, a copy having been furnished previously to the Advocates for the Defendants. I am therefore taking up the Notice of Motion for final disposal. Both sides have consented to this.

2. I have heard Mr. Tulzapurkar, learned Senior Advocate for the Plaintiff, and Mr. Konwar, learned Senior Advocate for Defendant No. 1 at some length and, with their assistance, considered the material on record.

3. The Plaintiff is a manufacturer, dealer and exporter of various pharmaceutical and medicinal preparations. It holds various trade marks. One of these is the trade mark "**TELMA**". This is used in respect of certain medicinal and pharmaceutical preparations for the control *inter alia* of blood pressure-related ailments. It is a product based on a component or ingredient called Telmisartan.

4. The Plaintiff has been in business for nearly three decades. It is a listed company. Its products are sold throughout India. It also exports many of its products. It claims to have acquired a significant reputation for the quality and efficacy of its product. It has also garnered much goodwill in the course of its business. The Plaintiff claims to be the registered proprietor of the trade mark "**TELMA**", as also of a label mark containing this word, and of word marks that of which this word is a prominent and memorable part. The Plaintiff has obtained registrations in different classes and under different registration numbers between 13th September 2002 and 4th May 2005. Copies of the Legal Proceeding Certificates in

respect of the Plaintiff's registrations are annexed as Exhibit "A1" to Exhibit "A6" to the plaint.

5. The Plaintiff claims that it has been using this mark for its products extensively since 2002. It has also actively and energetically promoted the sale of products under this mark. Exhibit "B" to the plaint at page 33 is a copy of a certified statement of domestic sales turnover of the TELMA-branded product range. The figures are indeed substantial. The first period shown is April 2003 to March 2004, in which the sales turnover was nearly Rs. 3 crores. By March 2011, this figure had reached nearly Rs. 10 crores. From April 2015 till date it has reached nearly Rs. 160 crores. Exhibit "C", at page 34, is similarly a certified statement of international sales in US dollars. Again, there has been a steady increase from April 2003, when the turnover was USD 5,490, to April 2015, when the corresponding figure crossed USD 1 million. Exhibit "D" to the plaint is a certified statement of the annual sales promotional expenses in rupees. When the Plaintiff began marketing its product, it spent just under Rs. 2 crores on promotional expenses. Today (as of March 2015), that figure has gone up substantially. There is no real dispute about these figures at all. The Plaintiff also says that it markets its products in various formulations. These connote the strength of the product and certain variations. Particulars are set out in paragraph 5 of the plaint. It is on this basis that the Plaintiff claims that its mark has acquired distinctiveness within the medical fraternity, in the trade and among consumers throughout India. The Plaintiff therefore says that it is entitled to the exclusive use of the mark and enjoys both statutory and common law rights in respect of that mark.

6. According to the Plaintiff, it found out only in November 2015 that the Defendants were manufacturing an identical medicinal preparation under a rival mark "**TELZA**". A photocopy of the Defendants' product pack is Exhibit "G" to the plaint. The submission made by Mr. Tulzapurkar is, however, not that the packaging is a colourable imitation, but that the Defendants' rival mark itself is structurally, phonetically and visually indistinguishable from Plaintiff's. Particularly in the case of a sensitive Schedule "H" prescription drug, he submits, no confusion or deceptive similarity should be permitted. The public interest, quite apart from the Plaintiff's statutory and common law rights, demands that a level of distinctiveness be maintained between competing products. All that the Defendants have done, the Plaintiff says, is to replace the "M" in their trade mark with a "Z". The plaint states that since doctors' handwritten prescriptions are often illegible, there is every possibility that a prescription specifying the Plaintiff's product will be mistaken for the Defendants'. This is bound to lead to confusion and the Defendants' product will pass off as that of the Plaintiff.

7. On 10th October 2015, by their Advocates' notice of that date, the Plaintiff served a cease and desist notice on the Defendants. A copy is annexed to the plaint. The Defendants responded on 12th November 2015 *inter alia* denying that there was any similarity between the two products. A copy of this Reply is at Exhibit "I" to the plaint. The contents of this are substantially reiterated in the Affidavit in Reply. The Defendants claim that they coined their mark from the source Telmisartan. They applied for the registration of their mark. The Defendants' mark has several

distinctive suffixes. The Plaintiff cannot claim a monopoly on the word "**TELMA**", since there are several others with that name. They do agree that this is a prescription medicine, but the Defendants use this as a defence. In the Affidavit in Reply, an additional ground is taken, invoking Section 33 of the Trade Marks Act, 1999, on the basis that the Plaintiff knew, or at any rate must be deemed to have known, of the Defendants' existence for several years, and by refusing to act promptly, the Plaintiff has acquiesced in the Defendants' use of the rival mark. The Defendants claim an honest and concurrent user of the mark in question. The Affidavit in Reply states in paragraph 5 that the Defendants adopted the mark some time in 2010. I do not find, however, from the documents annexed to the Affidavit in Reply anything substantial to evidence this.

8. The other submissions by the Defendants are that there is no phonetic similarity between the two marks. In any case, the Defendants' products under the rival mark are sold in a geographically restricted region of the northeastern states. They are significantly lower in price. Their packaging is entirely distinctive and there is no possibility of any person, whether a patient, a stockist or a medical professional, mistaking one product for the other. The Defendants also say that they have not been negligent or clandestine in their use of the mark. Their use has not been surreptitious, but has been continuous and notorious, and could therefore not have been unknown to the Plaintiff.

9. Mr. Konwar makes an additional point when he says that this drug is required by several patients to whom it is prescribed. It is a

Schedule “H” prescription drug that is not sold across the counter and is not taken or not taken at random or at will. It is a sensitive medication and those who are prescribed it and take it could well be dependent on it. If this Court were to injunct the Defendants, the damage to the public at large would be incalculable.

10. I have considered these arguments. While on the one hand I find that in the plaint there is verifiable material of the Plaintiff's use, expenses and sales, there is no counter-vailing material in response from the Defendants. What is annexed to the Affidavit in Reply are some invoices, promotional materials and details of events or conferences at which the Defendants say that their product was either launched, introduced or received further publicity. It is not possible to say from this material what precisely is the extent of that use, or when the Defendants first adopted the rival mark..

11. I regret that I do not find persuasive or convincing the Defendants' submission that the two marks are phonetically and structurally entirely distinctive. Indeed, they are not, particularly in a country known for its multiple dialects, cadences, and distinctly relaxed approach to pronounciation. Although the two products may have the same source, the Defendants undoubtedly had a plethora of derivative names for adoption as a mark. Suffixes do not in themselves provide the necessary distinctiveness, for these only connote the strength of a particular formulation. Once we see the Plaintiff's sales figures dating back several years well prior to the alleged date of adoption of the rival mark by the Defendants, the reason for the Defendants' adoption of the rival suggests itself. In

my view, this can only be, *prima facie*, an attempt to trade on the Plaintiff's quite considerable reputation and goodwill built up over a long period of time. I do not think that it is any answer to say that the Defendants are confined to one territorial region or that they are priced lower.

12. As to the argument that an injunction would have an adverse impact on the public health, I think it is regrettable that such a defence should be advanced. This argument proceeds on the footing that the Defendants' product is in fact the only one available in the north eastern region. This is very seriously disputed by the Plaintiff, which says that it, too, is in the same market. In any case, even if the Defendants' products with the rival markwere the only ones in that market, that can hardly constitute a defence to a charge of infringement and passing off.

13. As to the question of acquiescence, Mr. Tulzapurkar is correct in saying that this was an aspect I had occasion to consider in paragraphs 7 and 8 of *Neon Laboratories Limited v. Themis Medicare Limited & Another*.[1] It is settled law now that delay by itself is not a sufficient defence and that delay *simpliciter* is no reason to deny relief. This is, of course, on the footing that the Defendants in the present case have been actually able to establish their existence as of April 2010. As I have noted, of this I find next to no evidence. This question of delay was also considered in the case of *Jagdish Gopal Kamath & Others v. Lime & Chilli Hospitality Services*[2] ("*Café Madras*") in paragraph 59.

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1 2014 (60) PTC 621 (Bom)

2 2015 (62) PTC 23 (Bom)

14. As to the question of the necessity of a search prior to adoption, this issue too arose in *Café Madras* and was dealt with in paragraphs 42 and 43 of that decision. Again, it is settled law that once a Court arrives at a finding that there is deceptive similarity, the question of honesty of adoption is wholly irrelevant. Given that there is material to show prior use by the Plaintiff, it was for the Defendants to show that they took both a register search and a market search and that neither of these showed up the Plaintiff's mark. This has not been done. A Division Bench of this Court in *Bal Pharma Limited v. Centaur Laboratories Private Limited & Anr.*[3] held that even where a defendant claims concurrent user, if he has not troubled himself to ascertain whether or not the same or a similar mark is the subject matter of another's registration, he cannot be heard to complain, for he has been using it negligently. The new claimant must take the elementary precaution of taking a search in the register.

15. What remains is the question of whether, in the public interest, an injunction should follow given that both are Schedule "H" prescription drugs. This is also an issue relating to the balance of convenience. I believe that in assessing such contesting claims, the Court must have regard not only to the monopolistic privileges claimed by the competing parties, for that is only one side of the coin, but must also have regard to the other side of that very coin, viz., the public interest. This is the interest of the consumer. For, when we speak of similarity, deception, the likelihood of confusion and so on, we do so from the perspective of a common man, he of imperfect recollection and average intelligence. It is he who must be

[3] (2002) 24 PTC 226 (Bom) (DB)

saved from such deception or confusion. To invoke the public interest to continue what is, *prima facie*, both an infringing use and passing off is untenable. This is particularly so when there is no material on record to establish the Defendants' market share in its limited territory, the extent of its sales of products under the rival mark. The argument suggests that the continued existence of the entire populace of the country's north-east would be threatened were an injunction to be granted. This is surely an argument *in extremis*.

16. In my view, the Plaintiff has made out a more than sufficient *prima facie* case for the grant of an injunction. The balance of convenience is in their favour. The Notice of Motion is made absolute in terms of prayer clauses (a) and (b), which read thus:

> a) That pending the hearing and final disposal of suit, the Defendants by themselves, their servants, Directors, dealers, distributors, stockists, franchisees, agents, sister, concerns, subsidiaries, representatives, affiliates and/or assigns and all persons acting for and on their behalf be restrained by a temporary order and injunction of this Hon'ble Court from in any manner manufacturing, marketing, selling, distributing, exporting and/or using in relation to medicinal and/or pharmaceutical preparations and/or such allied and cognate goods the trade mark TELZA or using any other mark being deceptively similar in any manner whatsoever to the Plaintiffs mark TELMA so

> as to infringe the Plaintiff's registered trade mark TELMA registered under Nos. 1133378, 1176594, 1176595, 1234744, 1240590 and 1355194 all in class 5.
>
> b) That pending the hearing and final disposal of suit, the Defendants by themselves, their servants, Directors, dealers, distributors, stockists, franchisees, agents, sister, concerns, subsidiaries, representatives, affiliates and/or assigns and all persons acting for and on their behalf be restrained by a temporary order and injunction of this Hon'ble Court from in any manner manufacturing, marketing, selling, distributing, exporting and/or using in relation to medicinal and/or pharmaceutical preparations and/or such allied and cognate goods the trade mark TELZA or using any other mark being deceptively similar in any manner whatsoever to the Plaintiffs mark TELMA so as to pass off the Defendants' goods as and for those of the Plaintiff."

17. Given that the Plaintiff claims to have learnt of the Defendants' use of the mark in October 2015 but filed this Suit in January 2016, the operation of this order is stayed for a period of three weeks from today.

(G. S. PATEL, J.)